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The Aluminum Situation

Department of Economics and Statistics **February 1987**

Year 1986 Shipments Up 0.4 Percent

Total industry net shipments for the year 1986, at an estimated 15,342 million pounds, were up 0.4 percent from the year of 1985 total of 15,278 million pounds.

Domestic shipments of 14,431 million pounds were up 2.5 percent from the 1985 year total of 14,074 million pounds.

Imports of ingot and mill products were up 38.4 percent and exports were down 24.3 percent.

Thru December

	12 Mos. 1986	12 Mos. 1985	% Change
Mill Products	12,368	11,908	+ 3.9%
Ingot	2,974	3,370	-11.8%
Total	15,342	15,278	- 0.4%
Less Exports	-911	-1,204	-24.3%
Domestic Total	14,431	14,074	+ 2.5%

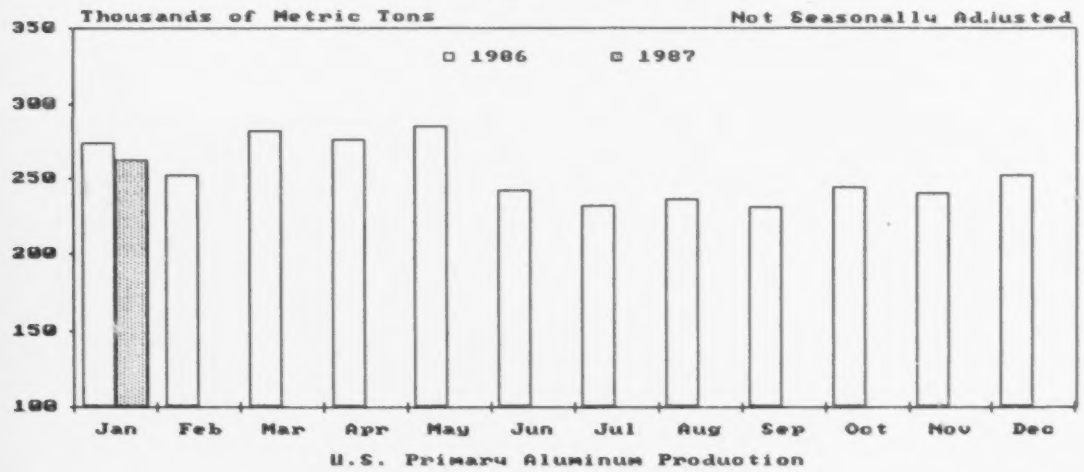
Millions of Pounds
Source: Latest month estimated by the Aluminum Association.
Previous data-Bureau of the Census.

Production Rate Down 4.2 Percent

U.S. primary aluminum production averaged 8,436 metric tons daily during January 1986, compared with and average 8,807 metric tons per day in January 1986.

The annual rate of production in January 1987 was 3,079,069 metric tons, compared to 2,966,885 metric tons in December 1986. The January 1986 annual rate was 3,214,496 metric tons. Actual production in January 1987 was 261,510 metric tons.

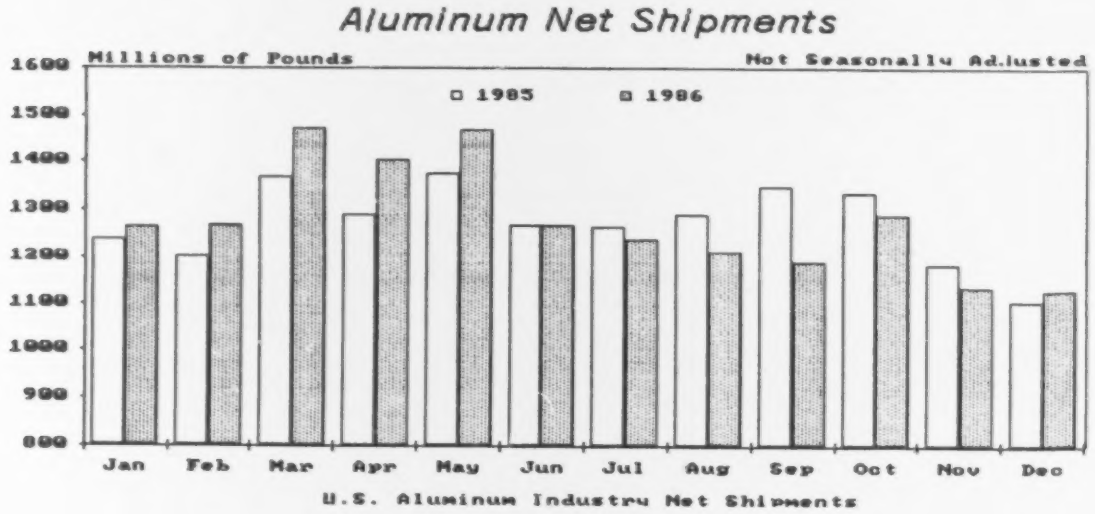
Primary Production



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Net Shipments Up 0.4 Percent

Estimated total industry net shipments of 15,342 million pounds for the year of 1986 were up 0.4 percent from the 1985 year total of 15,278 million pounds. Exports were down 24.3 percent so domestic shipments showed a 2.5 percent increase over a year ago.



Net Shipments

(Millions of Pounds)

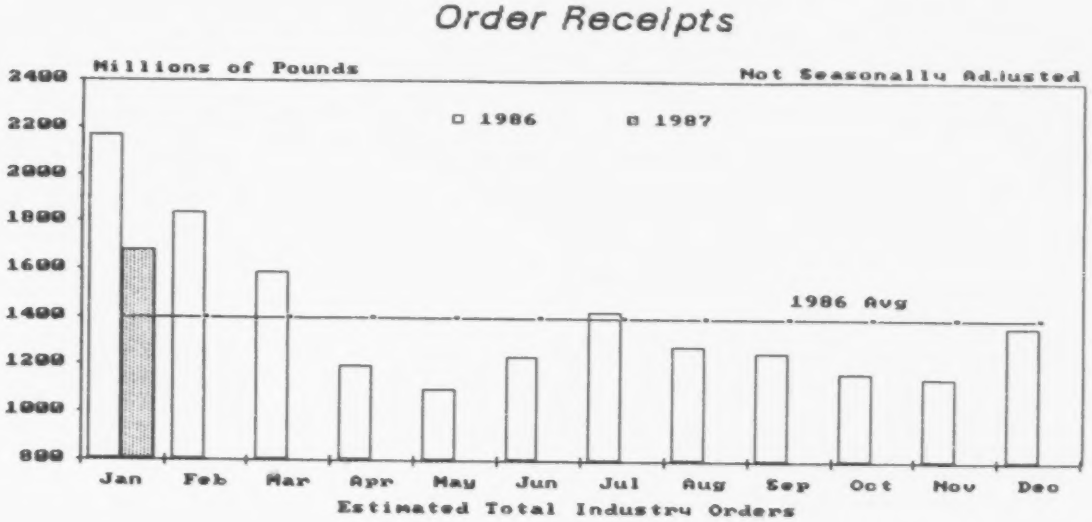
	1986 Dec.	1985 Dec.	1986 12 Mos.	1985 12 Mos.	% Change YTD 1986 vs. 1985
Sheet	500.0	469.5	6,379.9	6,184.4	+ 3.2
Plate	20.0	21.0	247.6	257.8	- 4.0
Foil	63.0	61.2	860.1	812.8	+ 5.8
Rod, Bar & Wire	23.0	24.7	327.4	304.7	+ 7.4
Electrical Conductor	44.0	46.1	629.5	673.2	- 6.5
Extruded Shapes & Tube**	210.0	179.5	2,735.7	2,602.5	+ 5.1
Powder & Paste	6.0	8.5	95.4	107.3	+11.1
Forgings & Impacts	12.0	10.1	144.9	148.7	- 2.6
Net Imports of Mill Products (Total)(a)	48.0	72.6	947.0	816.1	+16.0
Total Mill Products	926.0	893.2	12,367.5	11,907.5	+ 3.9
Ingot(b)	203.0	211.3	2,974.1	3,370.5	-11.8
TOTAL INDUSTRY SHIPMENTS	1,129.0	1,104.5	15,341.6	15,278.0	+ 0.4
Exports	-78.3	-56.3	-910.9	-1,204.2	-24.3
TOTAL DOMESTIC SHIPMENTS	1,050.7	1,048.2	14,430.7	14,073.8	+ 2.5

*Latest month estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Net New Orders 22.5 Percent Below Year Ago

Estimated net new order receipts for January 1987 at 1,680 million pounds were 22.5 percent below the January 1986 total of 2,168 million pounds. January orders were 22.9 percent above the December 1986 total of 1,367 million pounds.



Order Receipts

(Millions of Pounds)

	1986 Jan.	1985 Jan.	1986 1 Month	1985 1 Month	% Change YTD 1986 vs. 1985
Can Stock(a)	415.0	445.9	415.0	445.9	- 6.9
Sheet & Plate, Other	459.1	445.9	459.1	445.9	+ 3.0
Foil	71.8	77.4	71.8	77.4	- 7.2
Rod, Bar & Wire	30.4	32.5	30.4	32.5	- 6.5
Electrical Conductor	47.3	59.7	47.3	59.7	-20.8
Extruded Products	324.6	270.7	324.6	270.7	+19.9
Powder & Paste	3.9	10.3	3.9	10.3	-62.1
Forgings & Impacts	14.6	10.1	14.6	10.1	+44.6
Domestic Mill Products	1,366.7	1,352.5	1,366.7	1,352.5	+ 1.0
Ingot (Total)	246.5	680.9	246.5	680.9	-63.8
TOTAL DOMESTIC	1,613.2	2,033.4	1,613.2	2,033.4	-20.7
Exports	67.2	135.0	67.2	135.0	-50.2
TOTAL ALL PRODUCTS	1,680.4	2,168.4	1,680.4	2,168.4	-22.5

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.
*Latest month.

Year 1986 Inventories Decreased 288 Million Pounds

Producer inventories decreased an estimated 288 million pounds in the year 1986 from the 1985 year end level of 5,165 million pounds.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 84	5,850	4,692	229	929
Dec 85	5,165	2,235	567	2,363
Month	**Total***	**Ingot**	**Scrap**	**All Other**
Jan 86	5,161	2,167	561	2,433
Feb 86	5,158	2,038	562	2,558
Mar 86	5,054	1,865	521	2,668
Apr 86	5,097	1,795	560	2,743
May 86	5,045	1,840	591	2,614
Jun 86	5,043	1,959	614	2,471
Jul 86	5,084	1,998	625	2,461
Aug 86	5,059	2,058	626	2,375
Sep 86	4,976	1,995	647	2,334
Oct 86	4,926r	1,896r	621r	2,409r
Nov 86	4,905r	1,381r	600r	2,424r
Dec 86	4,877	1,955	604	2,318

*Latest month estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap.

Imports and Exports

Early estimates are available approximately the 5th working day each month; however; there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

(Millions of Pounds)

		1986 Dec.	1985 Dec.	1986 12 Mos.	1985 12 Mos.	% Change 1986 vs. 1985
Imports	Mill Products	64.0	81.8	1,088.9	1,020.7	+ 6.7
	Ingot	170.1	127.4	2,973.6	1,915.1	+ 55.3
	Total	234.1	209.2	4,062.5	2,935.8	+ 38.4
	Scrap (+ dross)	19.3	30.3	363.7	287.8	+ 26.4
	Grand Total	253.4	239.5	4,426.2	3,223.6	+ 37.3
Exports	Mill Products	31.2	30.0	448.7	438.5	+ 2.3
	Ingot	47.1	26.3	462.1	765.7	- 39.6
	Total	78.3	56.3	910.8	1,204.2	- 24.3
	Scrap	60.4	58.9	765.3	825.9	- 7.3
	Grand Total	138.7	115.2	1,676.1	2,030.1	- 17.4
Net Imports		114.7	124.3	2,750.1	1,193.5	+130.4

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.

JOHN DICKINSON NAMED DIRECTOR OF STATISTICAL SERVICES

Effective this month, John Dickinson has been named to the position of Director of Statistical Services for the Aluminum Association. Mr. Dickinson had previously been Chairman of the Association's Statistical Task Group and comes from Alcoa. He replaces Harriet Rusk who has become Executive Director of the Data Interchange Standards Association.